

Atari Corporation
1196 Borregas Avenue
Sunnyvale, California 94088-3427
(408) 745-2000

September 12, 1988

Dear ATARI Dealer:

Enclosed you will find what we feel is the most exciting Fall Promotion Atari has ever put together.

The reason(s) we are so confident that this program will enhance your sales, is that we have addressed all of the following areas:

1. Market/Dealer Advertising
2. In-store Promotion
3. Customer "Hot-buttons"
4. Product Availability

As all of you know, due to the DRAM shortage i.e. 256K, we are unable to fulfill a reasonable demand for our 1/2 and megabyte systems. Therefore, we have addressed the issue with aggressive MEGA 2 pricing/costing.

With regard to our Desktop Publishing Promotions, we feel that although the pricing/costing has increased somewhat, the benefits of advertising and in-store promotions will help you sell even more product. Furthermore, Atari still offers the best price/performance Desktop Publishing System in the market today.

If you have any questions, please contact your District Sales Manager or Representative Group.

We look forward to your continued support during the next four months, and I extend each and every one of you the challenge of making this your best sales year with Atari Computers.

Sincerely,

Michael R. Dendo
Vice President of Sales
Atari Computers

MRD:jt

attach.

ATARI ADVERTISING & PROMOTION PROGRAM

FALL 1988

I. MARKET ADVERTISING

To build customer awareness of Atari's Fall Promotions and to increase overall consumer awareness of Atari Computers, Atari will be offering the following packages to our dealers for "Umbrella" advertising:

1. 520 color ad slicks (Bentley Bear, Home Educational Program)
2. 520 mono ad slicks (Business & Fun Promotion)
3. MEGA 2 ad slicks (The Power of the MEGA 2)
4. MEGA 2 and 4 DPT ad slicks (An Affordable Desktop Publishing System)
5. 520 T.V. tape (Business is War)
6. MEGA T.V. tape

How much market advertising Atari does will be based upon the total dollar purchases made within a specific market by the entire group of dealers. For example, if the dealers in the greater Chicago area are purchasing \$150,000.00 dollar per month, there would be \$10,000 - \$15,000 in advertising Atari would make available for all the dealers in that market per month.

It will be the responsibility of you, the dealer, and your Atari District Sales Manager or Representative Group to determine what media will best address the market, within the parameter of your markets budget.

Dealers should place orders now for the rest of the calendar year so advertising can be planned and reserved to carry you through the "buying-season".

All market advertising will be pre-approved by the Advertising Department, and all advertising will support the bundles and promotional pricing enclosed in this package. Inventories purchased prior to September 12, 1988 will not be eligible to count towards your market advertising budget.

II. INDIVIDUAL DEALER PROMOTION(S)

For all of the following products purchased from September 12, 1988 forward, certain dollar amounts will be available for in-store promotion or advertising. These products and corresponding dollars are:

<u>Product</u>	<u>In-store Promotion Dollars</u>
MEGA 2 Monochrome	\$50.00
MEGA 2 Desktop Publishing System	\$100.00
MEGA 4 Desktop Publishing System	\$150.00

Your District Sales Manager or Representative Group will explain to you exactly what we want to do for your dealership, and how the dollars will be administered.

All of the in-store promotions and/or individual dealer advertising will already be pre-approved by Atari's Advertising Department.

Only product purchased after September 12, 1988 will be counted towards this program.

A dealer's account must be "current" before any individual advertising or promotion dollars are issued.

ANNOUNCING.....

NEW PRODUCT FROM ATARI

520STFM DOUBLE-SIDED DISK DRIVE

Effective immediately, ATARI will be shipping our all new 520STFM double-sided product against all dealer orders.

The 520STFM double-sided disk drive will now give your customers twice the storage capability at the same price of a 520STFM single-sided product.

To create excitement and help stimulate your sales please see the attached Fall 520ST promotions.

Effective 9/12/88

"BUSINESS AND FUN PROMOTION"

520STFM Monochrome System

Promotional Price \$699.95

Promotional Price List

	<u>Regular Suggested Retail</u>	<u>Dealer Cost After Promo</u>	<u>Margin %</u>
520STFM Monochrome System	\$799.95	\$525.00	25%
Missile Command (DS5018)	\$ 29.95	n/c	
Battlezone (DS5020)	\$ 29.95	n/c	
Microsoft Write (DS5052)	\$129.95	n/c	

This system would normally have a regular suggested retail of \$989.80 including software. Your customers will realize a 29% cost savings. You will realize a 23% savings.

Qualifying Conditions

1. Dealer must order 6 520STFM's at a time
2. All orders are subject to credit approval
3. Dealers may mix and match 520STFM monochrome and color systems to achieve this price
4. Promotion ends December 24, 1988

Effective 9/12/88

"HOME EDUCATION PROMOTION"

520STFM Color System

Promotional Price \$849.95

Promotional Price List

	Regular Suggested Retail	Dealer Cost After Promo	Margin %
520STFM Color System	\$999.95	\$673.00	21%
Home Planetarium (DS5007)	\$ 49.95	n/c	
Neochrome (DS5027)	\$ 39.95	n/c	
<u>Bentley Bear's</u>			
Spelling Bee (DS5091)	\$ 29.95	n/c	
Magical Math I (DS5088)	\$ 29.95	n/c	

*This system would normally have a regular suggested retail of \$1189.70 including software.
Your customers will realize a 29% cost savings. You will realize a 17% cost savings.*

Qualifying Conditions

1. Dealer must order 12 520STFM's at a time
2. All orders are subject to credit approval
3. Dealers may mix and match 520STFM monochrome and color systems to achieve this price
4. Promotion ends December 24, 1988

Effective 9/12/88

"MEGA 2 Fall Promotion"

*\$110.00 Promotional Quantity Discount
per MEGA 2 ordered*

Promotional Price List

	<u>Promotional Retail Price</u>	<u>Dealer Cost After Promo</u>	<u>Margin %</u>
MEGA 2 Mono System	\$1299.95	\$995.00	23%

Qualifying Conditions

1. Dealer must order 12 MEGA 2's at \$1105.00 each
2. Only Business Centers may participate
3. All orders are subject to credit approval
4. Dealers may not mix and match MEGA 2's with any other product or system to qualify for the rebate
5. Promotion ends November 30, 1988

Effective 9/12/88

DESKTOP PUBLISHING "BREAKTHROUGH" \$3095.00

	<u>RETAIL PRICE</u>	<u>NORMAL DEALER COST</u>	<u>SPECIAL DEALER COST</u>
MEGA 2 - Monochrome System	1699.95	1105.00	
SLM804 Laser Printer	1999.95	1300.00	
DS5052 Microsoft Write Pkg.	129.95	78.00	
TP6604 LDW Power	149.95	90.00	
RS5035 VT100 Terminal Emulator Pkg.	<u>39.95</u>	<u>24.00</u>	
	4019.75	2597.00	<u>2200.00</u>
Dealer Savings on Promotion		397.00	
Customer Savings off Retail at Promotion Price		927.70	
% Margin of Promotion		29%	

PROFESSIONAL OFFICE AND DESKTOP PUBLISHING SYSTEM FOR \$4395.00

	<u>RETAIL PRICE</u>	<u>NORMAL DEALER COST</u>	<u>SPECIAL DEALER COST</u>
MEGA 4 - Monochrome System	2399.95	1560.00	
SLM804 Laser Printer	1999.95	1300.00	
SH205 MEGA Disk Drive 20MB	899.95	560.00	
TP8405 Publisher ST - DTP System	129.95	78.00	
RS5035 VT100 Terminal Emulator Pkg.	<u>39.95</u>	<u>24.00</u>	
	5469.75	3522.00	<u>3220.00</u>
Dealer Savings		302.00	
Customer Savings off Retail at Promotion Price		1074.75	
% Margin of Promotion		27%	

Minimum 2 piece order
MEGA 2 and MEGA 4 Promotions may be combined to meet order requirement

These promotions are in effect until December 24, 1988.

Effective 9/12/88

DYNAMITE DEVELOPMENT IN DEALER HARD DRIVE SALES - MEGA FILE 20

BUY 5, GET 1 FREE!

	<u>SUGGESTED RETAIL PRICE</u>	<u>NORMAL DEALER COST</u>	<u>EFFECTIVE DEALER COST</u>
MEGA File 20 (SH205)	\$899.95	\$560.00	\$466.67
Dealer Savings % Margin at Retail		\$ 93.33 ea. 48%	

Minimum order 5 + 1 pieces

300/1200 BAUD MODEM SPECIAL

(FULLY IBM COMPATIBLE IN ADDITION TO APPLE, ATARI, COMMODORE)

BUY 10, GET 2 FREE!

	<u>SUGGESTED RETAIL PRICE</u>	<u>NORMAL DEALER COST</u>	<u>EFFECTIVE DEALER COST</u>
SX212 - 300/1200 Baud Modem	\$99.95	\$71.00	\$59.17
Dealer Savings % Margin at Retail		\$ 11.83 ea. 41%	

Minimum order 10 + 2 pieces

Order Now While Supplies Last!

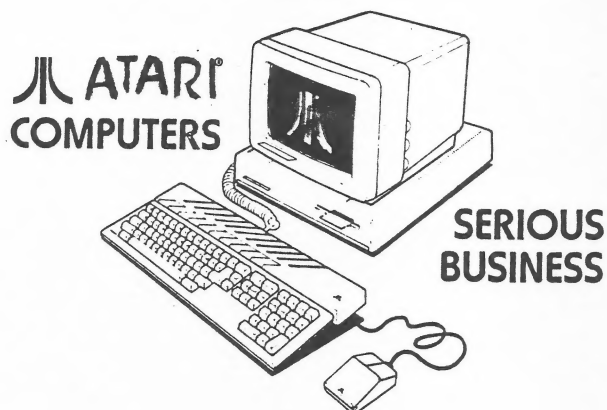
These promotions are in effect until December 24, 1988.

ATARI T-SHIRTS!

Atari T-Shirts will be available for dealers to purchase in about 6 weeks. The cost of the shirts will be \$6.00 each. They are 50% cotton, 50% polyester and are available in light blue or gray in sizes Medium, Large and X-Large. If you are interested, please contact your District Sales Manager or Rep to place your order. You can just fill out the form below and send it in to your rep. There will be a minimum order of 6 shirts.

The T-shirts will have this picture in the position of where a pocket would go. The reason the word Atari and the Logo on the screen looks faded, is because they are colored in rainbow.

Actual Size



Sales rep name _____

Dealer Name and address: _____

Shipping and handling charges are as follows:

Under 50 shirts	\$ 3.00
50-100	\$ 5.00
over 100	\$10.00

LIGHT BLUE **MEDIUM** _____ **LARGE** _____ **X-LARGE** _____

GRAY **MEDIUM** _____ **LARGE** _____ **X-LARGE** _____

TOTAL NUMBER OF T-SHIRTS _____ **X \$6.00 = \$** _____

PLUS SHIPPING & HANDLING **\$** _____

CHECK ENCLOSED FOR **\$** _____

T-shirts should be ready around October 30, please allow 2-3 weeks after for delivery.